



CITY OF DURHAM | NORTH CAROLINA

Date: 01/19/16

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Kevin Dick, Director of Office of Economic and Workforce Development

Subject: Amendment to the City of Durham Employment and Training 2015-2017 Grant Project Ordinance #14786

Executive Summary

This item amends the City of Durham Employment and Training 2015-2017 Grant Project Ordinance #14786.

The amendment reflects a total increase of \$22,684.00 in available Workforce Innovation and Opportunity Act (WIOA) funds resulting in a new total of \$1,570,276.00. Line-item revisions to the 2015-2017 budget have made this amendment necessary to maintain an overall balanced budget.

Recommendation

Staff recommends that City Council authorize the City Manager to accept the "Employment and Training" Grant by executing the grant documents and adopting the "City of Durham Employment and Training 2015-2017 Grant Project Ordinance" in the amount of \$1,570,276.00, superseding Grant Project Ordinance #14786.

Background

The Office of Economic and Workforce Development (OEWD) receives Notices of Fund Availability (NFA's) from the North Carolina Department of Commerce, *Division of Workforce Solutions* (DWS), periodically during the year as additional funding becomes available or when special funding is awarded. Funds received are added to the City of Durham *Employment and Training* grant project ordinances to provide workforce development services to Durham residents and businesses.

On January 13, 2016, OEWD staff received written notification that Net Friends, Inc., an IT and business services firm, was awarded \$10,000.00, Beyu Caffe, LLC, a retail restaurant and coffee shop, was awarded \$4,117.00 and Durham Economic Resource Center, a training provider, was awarded \$9,800.00 to provide training to current employees through the State of North Carolina NCWorks Incumbent Worker Training Grant program. The State has also allocated a combined administrative amount of \$598.00 for a total grant award to the Durham Workforce Development Board/OEWD of \$24,515.00.

The State of North Carolina NCWorks Incumbent Worker Training Grant program offers opportunities for North Carolina businesses to compete for funding that will help them train existing employees for the purpose of skill upgrades. Funds flow from the North Carolina Department of Commerce – Division of Workforce Solutions through the Durham Workforce Development Board/Office of Economic and Workforce Development.

OEWD staff also received written notification that the Adult and Dislocated Worker PY2015 funds that were originally awarded were being reduced by 0.2108 percent due to recent Congressional action. Since the Administrative funds are directly funded through the Adult and Dislocated funds, they were also impacted. The overall reduction of funds across all three programs totals \$1,831.00.

To date, OEWD has received NFAs from DWS totaling \$1,570,276.00 for 2015-2017 to implement and/or administer federally funded WIOA programs for eligible youth, adults, and dislocated workers; and to support services through the provision of special activities funds.

Issues/Analysis

This item will increase the City of Durham 2015 -2017 Employment and Training Grant Project Ordinance by \$22,684.00 from \$1,547,592.00 to \$1,570,276.00.

To accurately reflect an increase of \$22,684.00 in available PY15 WIOA funds, an amended City of Durham Employment and Training 2015-2017 Grant Project Ordinance in the amount of \$1,570,276.00 has been prepared to supersede Grant Project Ordinance #14786.

Funds received for The State of North Carolina NCWorks Incumbent Worker Training Grant program will allow Net Friends, Inc. (located at 327 W. Main St. in Durham) to provide training for 3 employees in various IT-related training, Beyu Caffe, LLC (located at 335 W. Main St. in Durham) to provide training for 23 employees in ServSafe, and Durham Economic Resource Center (located at 118 Hunt St. in Durham) to provide 8 of their employees training in database management.

The approval process for a Durham business to receive Incumbent Worker funding consists of a review by staff to the Durham Workforce Development Board, endorsement for funding by the Business Services Committee to the Durham Workforce Development Board and final funding approval by a State review committee. Contracts are entered into between the City of Durham and selected businesses.

Approval of this Grant Project Ordinance will allow these companies to improve their overall operational efficiencies and increase their competitiveness and profitability.

Alternatives

Council may choose to not approve the Grant Project Ordinance, as amended, or may choose to approve specific line items within the amended Grant Project Ordinance.

If Council chooses not to approve the amended Grant Project Ordinance, OEWD would have a lower operating budget and be less able to implement the employment and training objectives outlined in the Issues/Analysis section.

Financial Impact

WIOA funds are federal formula dollars administered by OEWD. Funding or not funding this item will have no impact on the City's general fund.

This item will increase the City of Durham 2015 -2017 Employment and Training Grant Project Ordinance by \$22,684.00 from \$1,547,592.00 to \$1,570,276.00.

SDBE Summary

An SDBE summary is inapplicable because no project-specific goals have been set and no SDBE's are involved in this item.

Attachments

City of Durham Employment and Training 2015-2017 Grant Project Ordinance Superseding Grant Project Ordinance #14786, 1 page.

Letter of Award Notification for Incumbent Worker Training Funds dated January 13, 2016, 2 pages.